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TO: British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

The Secretary
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Me Anne-Marie Beaudoin
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Dear Sirs/Mesdames:

RE: Implementation of Stage 2 of Point of Sale Disclosure For Mutual Funds Proposed Amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, Form 81-101F3 and Companion Policy 81-101 CP *Mutual Fund Prospectus Disclosure* and Consequential Amendments (2nd publication)

This letter is submitted on behalf of Canadian Imperial Bank of Commerce and its affiliates (collectively, “CIBC”), in response to CSA Notice and Request for Comment on Proposed Amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, Form 81-101F3 and Companion Policy 81-101 CP *Mutual Fund Prospectus Disclosure* and Consequential Amendments (the “**Proposed Amendments**”)

We thank you for the opportunity to provide our comments with respect to the Proposed Amendments. We have outlined below our concerns with the Proposed Amendments.

Content of Fund Facts document

Introduction

New Item 1 (c.1) of Part 1 of Form 81-101F3 is subject to the mutual fund having more than one class or series of securities. We submit that a mutual fund that has only one class or series should be allowed to include the name of that class or series and all recognized and publicly available identification codes. We propose that paragraph (c.1) be revised as follows:

“the name of the class or series to which the fund facts document pertains and, at the option of the mutual fund, all recognized and publicly available identification codes for the class or series of the mutual fund;”

Quick Facts section

We agree with the inclusion of both the date the class or series started and the date the fund started as we believe this will provide greater clarity from a performance perspective and when comparing classes of the same fund or comparing Fund Facts documents. Contrary to instruction (1.1) under Item 2 of Part 1, we believe that if both dates are included they should always be included whether or not the date the mutual fund first become available to the public differs from the date the class or series became available to the public. This will avoid changing the Fund Facts template on a case-by-case basis thereby creating room for errors and will help facilitate comparability between Fund Facts documents.

We do not agree with the inclusion of the total value of the class or series as we do not believe this information to be useful or relevant for an investor to make an informed investment decision. We submit that the goal of the Fund Facts document is and has always been to provide key information to investors. In the spirit of maintaining a short, concise, and simplified document, we believe that any unnecessary information should be avoided.

What are the risks of this Fund? section

We are strongly opposed to the inclusion of the “main risks” to the Fund Facts document. Firstly, we believe that adding specific risks without a narrative description will not provide any value for investors. Although an investor would be informed that there are risks associated with investing in commodities, equities, or fixed income securities for example, this would not provide the investor with an understanding of what those specific risks are. Certain risks such as “Tracking Risk” and “Taxation and other Risks” also have no particular meaning without an

appropriate description. Secondly, we do not recommend the inclusion of a narrative description given the length that these descriptions can be nor do we recommend that a summary of these descriptions be included. We believe it is not possible to summarize most of the risk descriptions in a few lines while trying to provide meaningful information to investors. In addition, since investment fund companies may use different descriptions for the same risk, this would not facilitate comparability amongst the Fund Facts documents. Furthermore, we are concerned that having to choose certain risks over others could lead to potential liability for not having disclosed all of the risks of the fund. Finally, we are of the view that a cross-reference to the prospectus for a full list of the risks of the fund and their descriptions is appropriate.

We note that a cross-reference to the prospectus for information about the manager's fund volatility risk classification methodology could be included in the Fund Facts document or alternatively the ability to request a copy of the methodology by contacting the manager of the fund.

How has the fund performed? section

This section should disclose how the class or series performed over the past 10 years. We suggest that all references to "fund" under this section be replaced with the "class or series" of the fund for the purpose of clarity.

Comparison of fund's performance to a benchmark of a one-year GIC

We do not agree with the proposal to compare the fund's performance to a benchmark of a one-year GIC. We believe that a risk-free investment is not comparable to mutual funds and will not assist investors in assessing the performance of the fund relative to its associated risk. The Fund Facts document already provides that mutual funds are not guaranteed investments and that the investors may not get back the amount of money they have invested. We also believe that the year-by-year return chart already illustrates that returns will vary from year to year and that investors may sometimes lose money. If the intent is to highlight that returns may be higher in one year and lower in another year, an additional note could be included under the chart to state the best and worst calendar year returns and what the value of an investment of \$1000 or \$10,000 would have been in those years.

We believe the only relevant comparison is with an appropriate broad-based securities market index as provided in National Instrument 81-106F1 4.3(2). However, contrary to the management reports of fund performance, the Fund Facts document would be lacking the discussion of the relative performance of the fund as compared to the index. As such, we do not recommend such comparison be included in the Fund Facts document. An investor can obtain this information through the management reports of fund performance or by asking his/her advisor.

Worst return

Mutual funds are generally long-term investments. We believe the worst three-month return unduly emphasizes short-term investing. Also, because the worst return would be based on the inception date of the fund, this information would not be comparable with other funds or other classes or series of the same fund. If the CSA wishes to proceed with showing a worst return, we believe it should be limited to the worst calendar year return over the past 10 years and such information should be balanced by adding the best calendar year return. As suggested above, this could be achieved by adding a note under the chart.

How much does it cost? section

Trailing commission

We do not agree with the conflict of interest added language. It is not the purpose of the Fund Facts document to address potential dealer conflicts of interest. We believe this could unduly create suspicion for investors. In addition, dealers are already subject to specific disclosure rules regarding actual or potential conflicts of interest.

Binding and Consolidated Mailing

We appreciate the increased flexibility to bind the Fund Facts with account application documents, registered tax plan documents and mutual fund transaction confirmations. We ask that the CSA clarify if the revised requirement to capture transaction confirmations includes all mutual fund transactions completed on the same day, including the sales or switches of mutual funds, or if it only includes the purchases of mutual funds as currently written in Section 5.2 (1) 2. of the Proposed Amendments? We submit that binding should also be permitted with trade confirmations for the sale or switch of a mutual fund completed on the same day to avoid multiple mailings.

We further submit that regulation permit consolidated mailing that would include mutual fund confirms and Fund Facts along with trade confirmations for the purchase and sale of other securities such as GICs, ETFs, bonds and equities as well as client statements. Multiple trades may be processed for an investor's account on the same day with the same dealer and it is a significant client irritant to receive multiple envelopes on the same day. Delivering multiple trade confirmations in the same package would result in efficient fulfillment, cost savings and a better client experience. We also believe requiring various envelopes to be delivered is not environmental friendly. As such, we urge the CSA to provide greater flexibility for consolidated mailing and allow other trade confirmations and client statements to be delivered with the Fund Facts.

We appreciate this opportunity to provide our comments on the Proposed Amendments. Please do not hesitate to communicate with the undersigned at the number appearing above should you have any questions regarding the foregoing or wish to discuss it further.

Yours truly,

/s/ Geneviève Ouellet

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